

Malvern Hills Trust

Finance Administration and Resources Committee

Manor House, Grange Road, Malvern WR14 3EY

Thursday 08 August 2019 7.00pm

Present: Mr R Bartholomew, Mr D. Bryer, Mr M Cordey, Mr M Davies (Chair), Mr C Penn, Prof J Raine, Ms S Rouse, Mr D Street,.

In attendance: Chief Executive Officer (CEO), Finance and Administration Manager, Secretary to the Board, Financial Assistant, Mr S Mooney (Bishop Fleming), Dr S Braim, Mr A Golightly, 3 members of the public.

The Chair welcomed everyone to the meeting.

1. Apologies for Absence

Mrs L Hodgson, Mr P Watson.

2. Chair's communications

- Stroll - Meet outside Classic Interiors, Worcester Road 7pm 22 August 2019
- Mr Davies thanked everyone who attended the Workshop on 6 August.

3. Declarations of interest

There were none.

4. Matters arising from the previous meeting 9 May 2019

The CEO reported that three of the new parking meters were being installed this week. The installation of the remainder would take place once any teething problems had been ironed out. The new tractor was delivered last week and tenders had been invited for the proposed sewage treatment plant at British Camp. No meeting had yet taken place with Herefordshire Council to discuss future arrangements for maintenance of the toilets there and at Wyche Cutting.

5. Final management accounts for the year ended 31 March 2019

The Finance and Administration Manager went through the paper. She confirmed that the figures in the management accounts flowed through into the statutory accounts.

6. LGPS – McCloud/Sargeant ruling

The Finance and Administration Manager went through the paper. The Trust had asked for an actuarial assessment of the additional pension fund liability which might arise, should the judgment impact on the Local Government Pension Scheme and an additional £19,000 had been added to the pension fund deficit to reflect this. She confirmed that the triennial valuation would be

received in the autumn. The pension adjustment had also been included in the Risk Register.

7. To approve Trustees' Annual Report and Accounts for year ending 31 March 2019 & authorise signature of Letter of Representation

The Auditors proposed given an unqualified report.

There were no questions on the accounts. In answer to a question about investment income, the Finance and Administration Manager confirmed that income on the Lands Acquisition Fund was reinvested, and on the Parliamentary and Lands Maintenance Funds it could be taken as income. She suggested a note could be included in the accounts about the treatment of the investment income

On the proposal of Mr Cordey, seconded by Mr Street, it was **RESOLVED** unanimously to agree the draft Trustees' Annual Report and Accounts and to recommend to the Board that this draft be adopted at the Annual Council Tax Payers' meeting on 12th September 2019, subject to any post-balance sheet events arising between this meeting and the date of signing and that the Chair of the Board sign the Letter of Representation addressed to the auditors.

8. Auditors' Key Issues discussion document

Mr Mooney went through the content of his report and briefly outlined the audit process. He said that the Finance and Administration Manager and her team had done a fantastic job. There had been no errors found and no matters which would raise a concern. The Trust had raised some technical points. One was about the designation of part of the Trust's assets as permanent endowment. This was as a result of historic advice. The Charity Commission, (in the course of work on the proposed Charity Commission Scheme) had indicated that an alternative treatment might be appropriate. This was reviewed by Bishop Fleming's technical team who agreed that the assets classified as permanent endowment could be redesignated as a restricted fund. This was a change of interpretation and not representative of an error so it had been dealt with as an in-year transfer. The Trust had also enquired about the designation of heritage assets. The new charity SORP was less clear on what a heritage asset was. The point was taken to the ICAEW (Institute of Chartered Accountants of England and Wales) who agreed that, on balance, the heritage assets were correctly designated.

He discussed the fixed asset capitalisation policy. He felt the Trust's current limit (£250) could be raised. In summary it was a very clean audit and had been conducted very smoothly.

Mr Davies thanked Mr Mooney and his team for the way in which the audit was carried out, the clarity of his explanation, and his advice.

Mr Mooney left the meeting.

9. Update on Schedule of Risk items

The committee had already been through the Risk Schedule. There were 2 updates, one being the pension fund, as already discussed, and the other being arrears of payments from the HLS Schemes. A payment had been received, being £171,000 of arrears up to 2018. It appeared that the capital items were still outstanding.

10. Amendments to the Accounting Manual

In accordance with the auditor's recommendation, the limit at which asset purchases were capitalised had been reviewed.

On the proposal of Mr Cordey, seconded by Mr Street it was **RESOLVED** unanimously to recommend to the Board that the Accounting Policies and Procedures Manual be amended to increase the capitalisation limit to £500.

11. Business Plan review

The CEO introduced the interim review which he had prepared. It should be read alongside the original programme. Some of the projects had been put back as they were dependent on the implementation of the Charity Commission Scheme.

New items included:

- British Camp path would need replacing. This would be a major project requiring the consent of Historic England and Natural England.
- British Camp car park could be expanded to increase capacity.
- The main track up to the Beacon needed repair.
- More capacity was required for wardening, estate management and fundraising.
- Upgrade to the British Camp toilets sewage system.
- Donkey Shed restoration.

Some of the major projects were dependent on securing funding.

12. Reports for information

12.1 Management accounts to 30th June 2019

The Finance and Administration Manager reported that the Trust had ended the first quarter slightly ahead of budget. She went through her report. Mr Penn asked how much of the additional car park income was a reflection of the increase in parking charges. Prof Raine asked if the giving of substantial legacies was recorded in any way. The Committee members were happy with the new format in which the management accounts had been produced.

12.2 Review of major projects

The CEO went through the paper. The tenders for work at the Community Woodland had come in over budget and the proposed works were being slightly trimmed. The restoration works to the Shire Ditch were on hold until the results of the work at British Camp had been assessed. The item "Repairs to Beacon track" was incorrectly labeled. It should have said "Repairs to British Camp path". The CEO had authorized urgent temporary repairs under his delegated authority.

12.3 Fund raising

There had been no meeting of the Working Group. The subscription to a Fundraising Resource Directory expired in one month's time and the committee would consider whether to renew.

12.4 Charity Commission Scheme costs

Legal costs were currently £109,000. The CEO had prepared a report on the projected costs of the consultation. Additional costs might be incurred for advertising and the cost of paying someone to manually input responses to the questionnaire which had been submitted on paper.

12.5 Exercise of delegated powers

Bishop Fleming gave additional advice outside the audit, amounting to £995 and a cost had been obtained for installing a water trough on the in-bye land of £1,500. On the proposal of Mr Cordey, seconded by Mr Bartholomew it was **RESOLVED** unanimously to authorise payment of additional fees for Bishop Fleming amounting to £995, and £1,500 for installation of a water trough under the committee's delegated authority.

12.6 Legacy

Dealt with above.

12.7 Manor House refurbishment

Dealt with above.

12.8 Investments

The Finance and Administration Manager, the CEO and Mr Davies had met with Ian Burrows from Brewin Dolphin. The Committee needed to review the risk levels on the portfolios and Ian Burrow would attend the December meeting and make a brief presentation for the benefit of new trustees.

13. Urgent business

There was none.

14. Date and time of next meeting

Tuesday 10 December 2019 7pm. Mr Davies thanked the members of the public for attending.

15. Confidential item

On the proposal of Ms Rouse, seconded by Mr Penn, it was **RESOLVED** to exclude the public for discussion of items 16, 17 and 18 on the agenda on the grounds that publicity would be prejudicial to the public interest by reason of the exempt or confidential nature of the business to be transacted (commercially sensitive/staffing matter).

The meeting closed at 9.15pm